(b) As on 1.04.2005, balance recoverable crude oil reserves in the country were about 740.77 MMT.

(c) The oil production of the country during 2005-06 (BE) is estimated to be 34.564 MMT.

(d) Keeping in view the production made so far, crude oil production in the country during 2005-06 as per the Revised Estimate, is likely to be 32.951 MMT.

Strike of transporters

†1473. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the last month's strike of transporters and reduction in market supply by cutting supply of LPG by gas manufacturers was sponsored; and

(b) whether its objective was to force consumers to adopt other methods by encouraging black marketing of gas?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Public Sector Oil Marketing Companies (OMCs) have reported that there was no strike by their LPG transporters during the months of October, 2005.

As regards the temporary LPG shortage, it may be stated that the LPG requirements are met by a combination of domestic production and imports. A temporary shortage of LPG emerged in September, 2005 on account of various factors. PSU production in the period April - September, 2005 was 303 (Thousand Metric Tonne) TMT less than planned; Reliance Industries Ltd. (RIL) production was 190 TMT less than planned. In consequence, physical inventories with oil marketing companies (OMCs) declined from 333 TMT at the beginning of April, 2005 to 190 TMT at the beginning of October, 2005. Then, with effect from 4th October, 2005, RIL, the single largest domestic supplier of LPG, shut down their Fluidized Catalytic Cracker (FCC) unit at Jamnagar for maintenance work. Moreover, at just about the same time, as RIL confirmed its shutdown effective October, 2005, domestic production prospects were seriously empacted by the fire in Mumbai High North and global LPG supplies became tight, largely on account of the impact

†Original notice of the question was received in Hindi.

of Hurricane Katrina on US refineries. All these factors put together upset the plans made by OMCs to effect imports in time to offset the anticipated shortage in supplies. This fed rumours in the market that OMCs would not be able to meet the demand, leading to a sudden spurt in demand. There was also a strike in bottling plants in the National Capital Territory (NCT) area towards the end of September, 2005 which aggravated the situation.

The Ministry took matters in hand early in October, 2005 when it was decided that through a combination of inventory management and imports, directly handled by a composite task force of the OMCs under the close supervision of the Government, physical shortages of supply would be overcome as quickly as possible. It was also decided that bottling plants in the NCT area would work on Sunday, 9th October, 2005 and other holidays. On the basis of these decisions, it was announced that the physical shortage in the NCT area would end by Dusshera and substantively in the rest of the country by Deepavali. These objectives have been largely achieved. In addition to the arrangements made earlier by OMCs to import 642 TMT of LPG during the period October-December 2005, arrangements have been made to import an additional quantity of 237.9 TMT during this period, 138 TMT of which has already reached the country. Thus, the overall physical shortage in the country at present has been reduced to only about 1.5% of the average monthly consumption of LPG. However, the backlog at the micro-level may vary from market to market on account of operational reasons.

The production of LPG in RIL's refinery has been restored from 1st December, 2005 and the supply situation is expected to substantively improve and normalize in the coming few weeks.

While OMCs are striving to ensure supplies to distributors in accordance with the registered customer strength of the distributor, the active cooperation of State Governments is required to cap, reduce and eventually eliminate the diversion of domestic LPG to the black market and unauthorized use which takes place on account of the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG. The Union Government in the Ministry of Petroleum and Natural Gas has alerted State Governments to the imperative need to curtail diversion and other malpractices by enforcing the control orders issued under the Essential Commodities Act, 1955. OMCs have also

been directed to ensure adherence to Marketing Discipline Guidelines, 2001.

CBM reserves in Madhya Pradesh

1474. SHRI EKANATH K. THAKUR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Reliance Industries Limited has struck a huge gas reserves of 3.76 trillion cubic feet in two coal bed methane blocks in Madhya Pradesh;

(b) whether it is also a fact that this is the country's first commercial coal bed methane find; and

(c) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Reliance Industries Limited has reported that they have established in-place Coal Bed Methane gas reserves of 3.65 Trillion Cubic Feet (TCF) in the two CBM blocks awarded to them in Madhya Pradesh.

(b) No, Sir.

(c) Based on the characteristics of physical attributes of coal, DGH, while carving out these two blocks for offer of blocks in the first round for CMB bidding, had assessed a prognosticated resource of 3-04 TCF in the two blocks awarded to RIL. RIL, on completion of the first phase of the committed work programme, confirmed the estimated gas in-place resources to be of the order of 3.65 TCF (1.6 TCF in Sohagpur East and 1.96 TCF in Sohagpur West CBM block). Commercial viability will be established only after completion of test production.

Shortage of LPG due to closure of refinery

†1475. SHRI BHAGWATI SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to the closure of a private refinery recently, the whole country is facing an acute shortage of LPG;

†Original notice of the question was received in Hindi.